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2 June 1959

MEMORANDUM FOR: DCI

SUBJECT : State Briefing on Import Policy

1. Some time ago the President asked the State Department's views as to how the various restrictions being imposed on US imports (restrictions on 29 new commodities since 1953, affecting 45 countries and some \$2.1 billion in imports) impinged on US security interests. The presentation by Deputy Assistant Secretary Beale is the result.

2. He points out that there is currently a strong protectionist trend in the US, which, if not countered, will create real trouble for us. Beale then covers the unfavorable impact of US import restrictions on underdeveloped as well as industrialized countries. He notes that protectionist policies are also the enemy of a dynamic expanding economy and weaken our competitive position abroad. In sum, he makes a very good case for a more liberal import policy on security grounds. If the reaction to the Planning Board dry-run is any indication, however, he will run into considerable questioning from Commerce and Treasury in particular.

3. OCI has prepared a background note on the Bloc Trade and Aid Program in case the question arises.

R. W. KOMER

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